

FISCAL NOTE

SB 811 - HB 1116

February 13, 2001

SUMMARY OF BILL: Provides exemptions for veterans that have 100% disability as a result of service-connected mental suffering or stress, from the motor vehicle tax under TCA 5-8-102, business taxes under TCA 67-4-712 and 67-4-708 and property tax under TCA 67-5-704.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$200,000

Decrease State Revenues - Less Than \$100,000

Decrease Local Govt. Revenues - Less Than \$100,000

Estimate assumes:

- Based on estimates from the Veterans Administration, approximately 633, or (2%) of disabled veterans in Tennessee could qualify for tax relief provided by the bill.
- Approximately 50% of the eligible disabled veterans would receive property tax relief. The average property tax relief claim is \$700 per year based on the 2000 Annual Report. At the average cost of \$700, the increase in state expenditures would be approximately \$221,500.
- State and local government revenues would decrease due to exemptions from motor vehicle and business taxes; however, such decreases are estimated to be less than \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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